



INTELLECTUAL PROPERTY RESEARCH, INC.

Patent, Trademark and Copyright Research and Related Services

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Mr.

Subject: **Engagement Letter**
 “(title of invention/type of search)”

Dear (attorney/inventor):

We are pleased that you have decided to retain Intellectual Property Research, Inc. (“IPR”, “us”, or “our”) to provide intellectual property research services to you. Although we cannot guarantee the success of any given venture, we will make every effort to serve you competently and effectively. This engagement letter (the “Agreement”) sets forth the terms upon which you have agreed to retain IPR.

All searches requested will be conducted or overseen by us. These searches will either be conducted by our fulltime patent researchers or by independent patent research specialists. We make a sincere effort to locate the most pertinent art available when conducting our searches. Misclassified patents, missing patents, misinformation from Examiners regarding search fields, and other circumstances beyond our control, may limit the results of our search efforts. However, our search results should assist you in forming an opinion as to the scope of the existing art. No search can be guaranteed for comprehensiveness or accuracy. This includes invalidity, infringement, clearance, freedom-to-operate and right-to-use searches. Our maximum liability or exposure for any dissatisfaction shall be limited to the total cost of the provided search.

Confidentiality

We agree to maintain your information confidential. We will normally communicate with you by email and will usually send our results back to you electronically unless otherwise requested. Given that emails sent over the Internet may lack security and jeopardize confidentiality, we can accept no liability for non-receipt or late receipt by you of such communications or for any corruption in the information communicated to you or its disclosure to other parties as a result of the interception of such communication.

Continuing Relationship

IPR has found that once we establish a relationship with a client, the client often returns to IPR for additional searches and repeat business. Because of this, IPR takes a long-term view to building successful relationships with clients. This Agreement shall govern and control the relationship between you and IPR, and it shall apply to any and all services rendered by IPR to you, both now and in the future. This Agreement shall remain in effect until it is terminated in writing by either you or IPR. Either party may terminate this agreement at any

time, but you agree to pay for all services rendered and all expenses incurred by IPR up until the time that IPR receives your written notice of termination of this Agreement.

Limitation of Liability

In no event shall IPR be liable for any consequential or indirect damages including loss of income, or damages to any third party. THE WARRANTIES SPECIFIED IN THIS CONTRACT ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

You hereby agree that in no event shall IPR be liable for any total amount of damages greater than the total amount of fees paid by you to IPR under this Agreement. You agree that in any action or claim against IPR for breach of this Agreement, you are limited in your recovery to an amount no greater than the total amount of fees paid by you to IPR. You further agree that such a remedy is the your SOLE and EXCLUSIVE remedy.

Fees

Generally, we charge fees for our services on an hourly rate basis. Each of us have an hourly billing rate which, when applied to the time spent on a given matter, is used to determine the fee portion of our charges. These rates are adjusted from time to time, usually once a year, and may change during the course of a given engagement. In setting our hourly billing rates, we take into consideration the difficulty, novelty and complexity of the tasks we have been asked to perform, the level of special expertise required, the scope of the matter, the results obtained, lead time and other relevant factors. In addition, some types of standard services are billed as fixed fees.

Our charges are principally based on the amount of our professional time spent on the matter. We reserve the right to adjust our standard charges if highly specialized knowledge is required, or if the matter is complex and/or urgent. Fixed charges may be assigned to specific tasks (i.e. "standard novelty search", etc). Our hourly rates are primarily based on the seniority and experience of the professional staff involved. These rates are reviewed periodically. Our charges are calculated at the rates which are current when the work is carried out. Details of those rates are available upon request.

Upon request, we will gladly provide you with an estimate of our fees for a given matter. An estimate is just what the word implies and should not be construed as a guarantee of maximum cost. If a comprehensive estimate is required, we will advise you how many hours the estimate will require and how much it will cost.

Expenses

In addition to the fees for our services, we may advance costs on your behalf, such as subcontracting fees, US Post Office fees, etc. In addition, the company will incur expenses related to providing services such as long distance telephone calls to others, facsimile transmissions, courier and mail services, photocopying, etc. These are billed separately at 110 percent of our costs, rather than as a part of our fees, so that only the clients who incur these costs will be charged for them.

Billing and Payment

Unless otherwise agreed upon, we require a deposit of a retainer equal to half of our estimated cost of the work before proceeding with your work. Your deposit will be applied to fees and disbursements until such time as it is exhausted. Otherwise, invoices are due and payable upon receipt. Failure to advance such funds on a timely basis shall absolve us of any responsibility for advancing any costs on your behalf. Any deposit which is not utilized is fully refundable to you upon request.

We will make every effort to deliver value in our services. Please feel free to discuss any questions you may have regarding our work and our invoices. By signing this Agreement, you (and we) agree that any disputes between us over the amount of any of our fees or any alleged breach of this Agreement will be settled by binding arbitration under the rules of the The McCammon Group, a dispute-resolution consulting organization located in the Northern Virginia area, as opposed to litigation in a court of law. We agree to be bound by any decision the arbitration panel may make, and we will make whatever billing adjustments they may deem appropriate. In the event that IPR substantially prevails in the arbitration, you agree to reimburse IPR for all reasonable attorneys' fees and other related costs associated with the arbitration incurred by IPR.

In the event that a party initiates legal proceedings in a court of law, you agree to pay IPR for all reasonable court costs and reasonable attorney's fees associated with IPR's claims or defenses against you (including, but not limited to, reasonable attorney fees associated with enforcing this Agreement against you or defending any claims brought by you against IPR).

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, U.S.A, and without regard to choice of law or conflict of law principles.

Entire Agreement

It is agreed that the terms herein set forth in this Agreement and any attached schedules constitute the entire, complete and exclusive agreement between IPR and you, and that no waiver, modification, or alteration thereof shall be permitted unless set forth in a writing signed by both parties.

Force Majeure

IPR shall not be liable for delay in performance or failure to perform when such delay or failure is due to unforeseen causes beyond its control and without its fault or negligence, including but not limited to acts of God or the public enemy, governmental action of whatever variety, fires, floods, earthquakes, epidemics, labor difficulties (whether among employees of IPR or others), riots, insurrections, and unusually severe weather. If timely completion of the tasks assigned by you is prevented by any cause force majeure, or any act of you, such failure or delay shall not constitute default on the part of IPR.

Questions

We encourage you to discuss any questions you may have concerning our intellectual property services or fees as soon as they arise.

We appreciate your business and look forward to serving you.

Sincerely,
INTELLECTUAL PROPERTY RESEARCH, INC.

Deane O. Elliott
President

AGREEMENT AND ACCEPTANCE

We agree to the above terms and conditions.

By: (Attorney/Inventor)

